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SUBJECT: ARGENTINA: DEPUTIES ENGAGE WITH CODEL MEEKS ON
STRENGTHENING RELATIONS

REF: BUENOS AIRES 1235

¶1. (SBU) Summary: Argentine Members of Congress meeting with CODEL Meeks December 17 saw the beginning of a new U.S. administration as a "window of opportunity" to strengthen bilateral relations while bemoaning what they characterized as the USG's past focus on confronting "problem" countries instead of building relations with allies. The Argentine deputies encouraged the USG to respond to the global economic crisis in a "multilateral" rather than "unilateral" fashion. Representative Meeks and his colleagues emphasized the importance of Argentina to the United States, and requested continued Argentine cooperation in fighting terrorism and the drug trade, with Representative Meeks sharing his hope that bilateral ties would improve under the new U.S. Administration. The visit received positive press coverage and generated evident enthusiasm among the deputies, as reflected by their abundance that evening at a reception for the CODEL hosted by the Ambassador at his residence. End Summary.

¶2. (SBU) Ambassador Wayne and U.S. Representatives Gregory Meeks (D-NY), Ruben Hinojosa (D-TX), and Paul Ryan (R-WI) met on December 17 with 11 deputies from the lower House Foreign Affairs Committee and the U.S. Friendship Congressional Caucus during the CODEL's December 16-18 visit to Argentina. Vice-President of the Lower House Patricia Vaca Narvaja, a member of the Kirchners' Victory Front alliance (FpV), chaired the meeting, which included a mix of deputies from the governing FpV and the opposition. The chair of the Lower House's Foreign Relations Committee, FpV deputy Ruperto Godoy, and the chair of the Friendship Caucus, FpV deputy Manuel Baladron, spoke. Also present were national deputies representing the Buenos Aires capital district -- Civic Coalition deputy Patricia Bullrich, Republican Choice (PRO) bloc leader Federico Pinedo, and PRO deputy Luis Galvalisi, in addition to Civic and Social Front deputy Genaro Collantes from Catamarca and FpV deputies Zulema Daher from Salta, Raul Solanos from Entre Rios, and Amanda Susana Genem from Mendoza.

A Brighter Bilateral Future

¶3. (SBU) Representative Meeks underscored U.S. congressional interest in strengthening relations with Argentina and with the region at large during the new Obama administration. He relayed that Congress, with an eye to increasing regional ties, has two caucuses -- the Dialogue Caucus to promote greater engagement with other parliamentarians and a caucus to focus on relations with OAS member countries. He also highlighted Argentina's regional importance and sustained cooperation with the USG in fighting terrorism and drug trafficking. For their part, the Argentine deputies saw the beginning of a new U.S. administration as a "window of opportunity" to strengthen bilateral relations, while

bemoaning the USG's alleged past focus on "problem" countries instead of building relations with potential allies.

¶4. (SBU) While expressing hope that congressional exchanges would increase over time, the Argentine deputies said they would develop a work agenda for 2009 to present to their U.S. counterparts for discussion. Foreign Affairs Committee Chair Godoy relayed that his committee would like to make the United States its first destination in a series of congressional outreach trips. Friendship Caucus Chair Baladron said he looked forward to deepening relations, remarking that his committee held fruitful exchanges with the Ambassador, visiting U.S. legislators, and Congressional staff (reftel).

International Economic Crisis

¶5. (SBU) The U.S. Representatives noted that 2009 will be a difficult year for the world, but expressed hope that the new U.S. administration would deploy the right economic policies to ensure a strong recovery in 2010. Deputy Pinedo opined that the United States has the challenge and the advantage of confronting a deep economic crisis under a new President. Pinedo added that President-elect Obama has an opportunity to address the economic crisis in a multilateral manner, avoiding "unilateral attitudes" that could deepen the economic crisis. Rep. Hinojosa noted that the economic crisis has already been quite challenging, with a 6% U.S. unemployment rate predicted to exceed 8%, continued tight access to capital, and high foreclosures on home mortgages. Rep. Ryan cited monetary policy and protecting jobs as

critical issues that consume the attention of the U.S. Congress. Civic Coalition Deputy Bullrich noted that Argentina's Congress is focused on economic measures needed to sustain the economy and keep employment strong.

Argentina's 2001 Economic Crisis

¶6. (SBU) Deputy Godoy briefed CODEL Meeks on Argentina's recovery from its 2001-2 financial crisis when unemployment rose above 24%, foreign reserves were wiped out, and 64% of the population fell below the poverty line. He said that by 2007, as a result of "strong political decisions," the economy had revived with reduced unemployment, reserves as high as USD 50 billion, declining poverty levels, and twin fiscal and trade surpluses. He added that, by the time the global international economic crisis hit full stride in the third quarter of 2008, Argentina was in a better position to increase employment and improve economic activity by increasing demand and consumption. Deputy Bullrich briefed on how the Argentines handled mortgages to allow people to stay in their homes during the crisis.

¶7. (SBU) Comment: Local press coverage of the meeting was highly positive and highlighted the Argentine congressional deputies' interest in strengthening relations by developing a work agenda and visiting the United States. The visit generated evident enthusiasm among the deputies, manifested by their abundance later that day at a reception for the CODEL hosted by the Ambassador at his residence. Although the deputies seemed genuine in their desire to improve relations, competing priorities -- including congressional consideration of GoA economic stimulus proposals to ameliorate the impact of the global economic crisis and preparations for upcoming October 2009 mid-term legislative elections (which have the potential to reduce the FpV's majority in the Chamber of Deputies) -- may make it difficult to sustain their focus on bilateral relations.

¶8. (U) This cable was cleared by the CODEL.

WAYNE